



State of Utah

Department of
Natural Resources

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Executive Director

Division of
Oil, Gas & Mining

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Division Director

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Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

August 27, 2004

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 0693

Alex Boulton
Brush Resources, Incorporated
P.O. Box 815
Delta, Utah 84624

Subject: Cancellation of Reclamation Surety, Brush Resources, Incorporated, Topaz Mine, M/023/003, Juab County, Utah

Dear Mr. Boulton:

On July 19, 2004, we received notification from National City Global Trade Services, that they will not renew the surety bond (#SCL008327) posted as reclamation surety for Brush Resources, Inc.'s Topaz Mine, located in Juab County, Utah. The surety will be cancelled effective October 22, 2004. A copy of this cancellation notice was faxed to your office the day we received it. To date, we have had no further response from your office.

The Utah Mined Land Reclamation Act requires an adequate surety be maintained for all large mining operations until the mine site is successfully reclaimed, allowing bond release. You are hereby advised that we must receive a replacement form of surety prior to September 20, 2004, or we will be forced to start surety forfeiture proceedings against the National City bank surety.

Please contact me at (801) 538-5325 or Joelle Burns at 538-5291 to discuss this situation further and to inform us of your intentions. Thank you for your consideration and prompt attention to this important permitting requirement.

Sincerely,

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:jb

cc: Will Stokes, SITLA, (ML 18237)
Steve Alder, AAG's Office

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